

**NOVA WORKFORCE INSTITUTE OF NORTHEAST LA**  
**Monroe, Louisiana**

**REVIEW REPORT  
AND  
FINANCIAL STATEMENTS  
AND AGREED-UPON PROCEDURES  
WITH SUPPLEMENTAL INFORMATION  
As of And for the Year Ended December 31, 2011**

**BY**

**ROSIE D. HARPER**  
**CERTIFIED PUBLIC ACCOUNTANT, LLP**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **APR 25 2012**

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Monroe, Louisiana

Review Report  
And Financial Statements  
And Agreed-Upon Procedures  
with Supplemental Information  
As of and for the Year Ended December 31, 2011

**CONTENTS**

	<u>STATEMENTS</u>	<u>PAGE NO.</u>
Independent Accountant's Review Report		1
Financial Statement:		
Statement of Financial Position	A	3
Statement of Activities	B	4
Statement of Cash Flows	C	5
Notes to the Financial Statements		6-8
Independent Accountant's Report on Applying Agreed-Upon Procedures		9-11
Supplemental Information		
Schedule of Functional Expenses		13
Schedule of Activities Budget to Actual		14



**ROSIE D. HARPER**

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### **Independent Accountant's Review Report**

To the Board of Directors  
NOVA Workforce Institute of Northeast LA  
Monroe, Louisiana

I have reviewed the accompanying statement of financial position of NOVA Workforce Institute of Northeast LA (a nonprofit organization) as of December 31, 2011, and the related statements of activities, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of NOVA Workforce Institute of Northeast LA's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Rosie D. Harper  
Certified Public Accountant

February 10, 2012

## **FINANCIAL STATEMENTS**

Statement of Financial Position  
December 31, 2011

**Assets**

Cash	<u>\$ 67,136</u>
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Total Assets	<u>67,136</u>
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**Liabilities and Net Assets****Liabilities:**

Accrued Liabilities	4,288
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Deferred Revenue	<u>62,848</u>
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Total Liabilities	<u>67,136</u>
-------------------	---------------

**Net Assets**

Unrestricted	<u>-</u>
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Total Net Assets	<u>-</u>
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Total Liabilities and Net Assets	<u>\$ 67,136</u>
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See Accountant's Review Report and Notes to Financial Statements.

Statement of Activities  
For the Year Ended  
December 31, 2011

**UNRESTRICTED NET ASSETS****Support**

Contributions	\$ 32,828
In-kind Contributions	55,900
Total Other Revenue	<u>88,728</u>

TOTAL UNRESTRICTED SUPPORT	<u>88,728</u>
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**Net Assets Released from Restrictions**

Restrictions Satisfied by Payments	<u>148,112</u>
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TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	<u>236,840</u>
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**Expenses**

Program Expense	<u>236,840</u>
Total Expenses	<u>236,840</u>

Change in Unrestricted Net Assets	<u>-</u>
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**TEMPORARILY RESTRICTED NET ASSETS****Grants**

Foundations	52,500
Cooperative Grant	65,536
Local Grant	24,615
State Grant	5,461
Total Grants	<u>148,112</u>

**Net Assets Released from Restrictions**

Restrictions Satisfied by Payments	<u>(148,112)</u>
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Change in Temporarily Restricted Net Assets	<u>-</u>
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Change in Net Assets	<u>-</u>
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Net Assets as of Beginning of Year	<u>-</u>
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Net Assets as of End of Year	<u>\$ -</u>
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See Accountant's Review Report and Notes to Financial Statements.

## NOVA Workforce Institute of Northeast LA

Statement of Cash Flows  
 For the Year Ended  
 December 31, 2011

<b>Operating Activities</b>	<b><u>All Funds</u></b>
Change in Net Assets	\$ -
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Increase in Accrued Liabilities	840
Increase in Deferred Revenue	<u>22,575</u>
Total Adjustments	<u>23,415</u>
Net Cash Provided by Operating Activities	<u>23,415</u>
 <b>Net Increase in Cash</b>	 23,415
 Cash as of Beginning of Year	 <u>43,721</u>
Cash as of the End of Year	<u><u>\$ 67,136</u></u>

See Accountant's Review Report and Notes to Financial Statements.



**NOVA Workforce Institute of Northeast LA  
Monroe, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

NOVA Workforce Institute of Northeast LA (a private non-profit organization) is domiciled in Monroe, Louisiana. The Organization is recognized as a tax-exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code. The organization serves to connect the needs of employers with job-training entities and local residents who are looking for a career path leading to a living wage job with benefits. The Board of Directors of the Organization consists of eleven (11) members. The members serve without compensation.

**Basis of Presentation**

For the period ending December 31, 2011, the Organization distinguishes between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. The following is a description of the three net assets categories:

Unrestricted Net Assets-Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets-Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or by passage of time.

Permanently Restricted Net Assets-Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

**Public Support and Revenue**

In order to comply with restrictions that donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used. Revenue and public support consists mainly of state and private grants, fundraising, and contributions. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor.

**NOVA Workforce Institute of Northeast LA**  
**Notes to Financial Statements (Continued)**

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. At December 31, 2011, NOVA Workforce Institute of Northeast LA had no cash equivalent, and cash totaling \$ 67,136 as follows:

Temporarily Restricted	\$ 36,177
Unrestricted	30,959
Total Cash	<u>\$ 67,136</u>

**Deferred Revenue**

The Organization follows the deferred revenue recognition. Under the deferred method, grants received in the year for expenses to be incurred in the following year are recorded as deferred revenue.

**Income Taxes**

The Organization qualified as a publicly supported organization exempt from federal income tax under Section 501 (C) (3) of the Internal Revenue Code. Contributions to the Organization are tax deductible within the limitations prescribed by the Code.

**NOTE B. FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE C. BUDGET PRACTICES**

The Organization prepares an annual budget that is approved by the Board of Directors prior to being submitted to the granting authority.

**NOVA Workforce Institute of Northeast LA**  
**Notes to Financial Statements (Continued)**

**NOTE D. IN-KIND CONTRIBUTIONS**

For the year ended December 31, 2011, the Organization received in-kind contributions totaling \$55,900.

**NOTE E. ACCRUED LIABILITIES**

For the year ended December 31, 2011, the Organization had accrued liabilities as follows:

Payroll Liabilities	\$ 3,116
Accounts Payable	1,172
Total	<u>\$ 4,288</u>

**NOTE F. DEFERRED REVENUE**

For the year ended December 31, 2011, the Organization had deferred revenue as follows:

Source	Beginning Deferred Revenue @ 01/01/2011	Revenue	Expended	Deferred Revenue @ 12/31/2011
City of Monroe	\$ -	\$ 25,000	\$ 24,615	\$ 385
Federal Home Loan Bank	-	15,000	12,461	2,539
J.P. Morgan Chase	-	30,000	28,535	1,465
Mary Reynolds-Babcock	-	80,000	52,500	27,500
State of Louisiana	5,461	-	5,461	-
AT&T	24,540	-	24,540	-
General				
Other Foundations/Corporate Sponsors	10,271	53,516	32,828	30,959
Total	<u>\$ 40,272</u>	<u>\$ 203,516</u>	<u>\$ 180,940</u>	<u>\$ 62,848</u>



## ROSIE D. HARPER

Certified Public Accountant, LLP

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Phone: (318) 387-8008 • Fax: (318) 387-0806

### Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Nova Workforce Institute of Northeast Louisiana, Inc.

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Nova Workforce Institute of Northeast Louisiana, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Nova Workforce Institute of Northeast Louisiana, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2011 included in the accompanying *Louisiana Attestation Questionnaire*. Management of Nova Workforce Institute of Northeast Louisiana, Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### ***Federal, State, and Local Awards***

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Nova Workforce Institute of Northeast Louisiana, Inc.'s federal award expenditures for all federal programs for the fiscal year follow:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
<u>City of Monroe</u>	7/12/11-7/12/12		\$ 24,615
<u>Federal Home Loan Bank of Dallas</u>	12/31/2011		12,461
<u>J.P. Morgan Chase</u>	11/18/2011		28,535
<u>Mary Reynolds-Babcock</u>	12/01/11- 12/01/13		52,500
<u>State of Louisiana</u>	06/30/2011		5,461
<u>AT&amp;T</u>	12/31/2011		24,540
<u>In-Kind Contributions</u>	12/31/2011		55,900
<u>Other Foundations/Corporate Sponsors</u>			32,828
<b>Total Expenditures</b>			<b>\$236,840</b>

**NOVA Workforce Institute of Northeast Louisiana**  
**Independent Accountant's Report on Applying Agreed-Upon Procedures (Continued)**

2. For each federal, state, and local award, I randomly selected 6 disbursements from five of the awards administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, I traced the six disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, I determined if the six disbursements were properly coded to the correct fund and general ledger account.

All six of the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, I determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from board of directors. In addition, each of the disbursements was traced to the Nova Workforce Institute of Northeast Louisiana, Inc.'s minute book where they were approved by the full board.

6. For the items selected in procedure 2: For federal awards, I determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, I determined whether the disbursements complied with the grant agreement, relating to:

N/A The Organization did not received any federal awards.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, I compared the close-out report, when required, with the agency's financial records to determine whether the amounts agree.

For the programs tested, which required close out reports the Organization's financial records agreed with the amounts in the close out report.

***Open Meetings***

7. N/A

***Budget***

8. For all grants exceeding five thousand dollars, I determined that each applicable federal, state, or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

**NOVA Workforce Institute of Northeast Louisiana  
Independent Accountant's Report on Applying Agreed-Upon Procedures (Continued)**

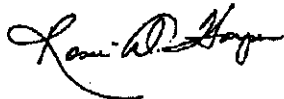
Nova Workforce Institute of Northeast Louisiana, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

***Prior Comments and Recommendations***

9. N/A

I was not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Nova Workforce Institute of Northeast Louisiana, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Rosie D. Harper  
Certified Public Accountant

February 10, 2012

## **SUPPLEMENTAL INFORMATION**

Schedule of Functional Expenses  
For the Year Ended  
December 31, 2011

	Program Service		
	Funds Expended	In-kind	Total
<b>Personnel Costs</b>			
Salaries and Wages	\$ 104,310	\$ 8,120	\$ 112,430
Payroll Taxes and Fringe Benefits	28,939	621	29,560
<b>Total Personnel Costs</b>	<b>133,249</b>	<b>8,741</b>	<b>141,990</b>
<b>Other Expenses</b>			
Ads and Legal Notices	817	-	817
Accounting	4,200		4,200
Audit	1,500		1,500
Computer Printer	-	2,400	2,400
Copier	-	2,400	2,400
Maintenance	-	3,600	3,600
Marketing	-	5,894	5,894
Meetings	442	4,397	4,839
Membership Dues	150	-	150
Minor Equipment	-	500	500
Miscellaneous	990	-	990
Occupancy Cost	-	18,000	18,000
Office Supplies	1,435	2,485	3,920
Postage	355	1,200	1,555
Printing and Reproduction	1,351	-	1,351
Professional Services	22,500	-	22,500
Supportive Services	8,516	-	8,516
Telephone	1,927	1,200	3,127
Training Supplies	766	-	766
Travel	2,742	283	3,025
Utilities	-	4,800	4,800
<b>Total Other Expenses</b>	<b>47,691</b>	<b>47,159</b>	<b>94,850</b>
<b>Total Functional Expenses</b>	<b>\$ 180,940</b>	<b>\$ 55,900</b>	<b>\$ 236,840</b>

See Accountant's Review Report and Notes to Financial Statements.



## NOVA Workforce Institute of Northeast LA

Schedule of Activities Budget to Actual  
For the Year Ended  
December 31, 2011

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenue</b>			
Corporate Grant	\$ 48,116	\$ 53,515	\$ (5,399)
Deferred Revenue at 12/31/2010	40,273	40,273	-
Local Grant (City of Monroe)	25,000	25,000	-
Foundations	80,000	80,000	-
Federal Home Loan Bank	15,000	15,000	-
JP Morgan Chase	30,000	30,000	-
In-kind Contributions	55,900	55,900	-
<b>Total Revenue</b>	<u>294,289</u>	<u>299,688</u>	<u>(5,399)</u>
<b>Personnel Costs</b>			
Salaries and Wages	104,320	104,310	10
Salaries and Wages-In-kind	8,120	8,120	-
Payroll Taxes and Fringe Benefits	29,551	28,939	612
Payroll Taxes and Fringe Benefits-In-kind	621	621	-
<b>Total Personnel Costs</b>	<u>142,612</u>	<u>141,990</u>	<u>622</u>
<b>Other Expenses</b>			
Accounting	4,200	4,200	-
Ads and Legal Notices	850	817	33
Audit	1,500	1,500	-
Computer-In-kind	2,400	2,400	-
Copier-In-kind	2,400	2,400	-
Maintenance-In-kind	3,600	3,600	-
Marketing-In-kind	5,894	5,894	-
Meetings	1,000	442	558
Meetings-In-kind	4,397	4,397	-
Membership Dues	485	150	335
Minor Equipment	1,000	-	1,000
Minor Equipment-In-Kind	500	500	-
Miscellaneous	1,000	990	10
Occupancy Cost-In-kind	18,000	18,000	-
Office Supplies	1,500	1,435	65
Office Supplies-In-kind	2,485	2,485	-
Postage	400	355	45
Postage-In-kind	1,200	1,200	-
Printing Materials	1,500	1,351	149
Professional Services	22,500	22,500	-
Supportive Services	12,008	8,516	3,492
Telephone	2,041	1,927	114
Telephone-In-kind	1,200	1,200	-
Training Supplies	1,000	766	234
Travel	5,456	2,742	2,714
Travel-In-kind	283	283	-
Utilities-In-kind	4,800	4,800	-
<b>Total Other Expenses</b>	<u>103,599</u>	<u>94,850</u>	<u>8,749</u>
<b>Total Functional Expenses</b>	<u>246,211</u>	<u>236,840</u>	<u>9,371</u>
<b>Budget Excess (Deficit)</b>	<u>\$ 48,078</u>	<u>\$ 62,848</u>	<u>\$ (14,770)</u>

See Accountant's Review Report and Notes to Financial Statements.

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

February 10, 2012

Rosie D. Harper, CPA, LLP  
604 North Third Street  
Monroe, Louisiana 71201

In connection with your review of our financial statements as of December 31, 2011 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (February 15, 2011).

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

### Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

N/A

Yes [ ] No [ ]

### Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [X] No [ ]

### Prior Year Comments

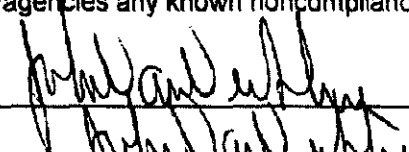
We have resolved all prior-year recommendations and/or comments.

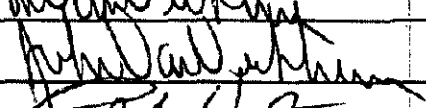
N/A

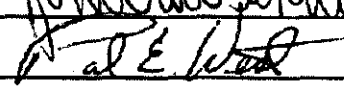
Yes [ ] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

  
\_\_\_\_\_  
Secretary 02/10/2012 Date

  
\_\_\_\_\_  
Treasurer 02/10/2012 Date

  
\_\_\_\_\_  
Executive Director 02/10/2012 Date